EVIDENTIARY HEARING

BEFORE THE

CALIFORNIA ENERGY RESOURCES CONSERVATION

AND DEVELOPMENT COMMISSION

CALIFORNIA ENERGY COMMISSION

HEARING ROOM A

1516 NINTH STREET

SACRAMENTO, CALIFORNIA

WEDNESDAY, MAY 7, 2003 9:05 a.m.

Reported by Peter Petty Contract No. 170-01-001

COMMITTEE MEMBERS PRESENT

Arthur Rosenfeld, Second Member

HEARING OFFICER AND ADVISORS PRESENT

Gary D. Fay, Hearing Officer

STAFF AND CONSULTANTS PRESENT

Dick Ratliff, Staff Counsel

Matthew Trask, Project Manager

PUBLIC ADVISOR

Roberta Mendonca

APPLICANT

Scott A. Galati, Galati & Blek, LLP

Leslie J. Ward, Silicon Valley Power

John C. Roukema, P.E., Silicon Valley Power

James H. Pope, Silicon Valley Power

Andrea Grenier, Grenier & Associates

Douglas M. Davy, Ph.D., Tetra Tech FW, Inc.

Suzanne L. Burnell, LHG, Tetra Tech FW, Inc.

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- 9:04 a.m.
- 3 HEARING OFFICER FAY: This is the first
- 4 evidentiary hearing for the Application for
- 5 Certification of Pico Power Project. I am Gary
- 6 Fay, the Hearing Officer for the Energy Commission
- 7 committee, and to my left is Commissioner Art
- 8 Rosenfeld, the second Member of the committee.
- 9 The Presiding Member, John Geesman,
- 10 could not be here today, he is over at the State
- 11 Senate on very important business having to do
- 12 with his confirmation. However, Commissioner
- 13 Geesman does expect to be with us at the next
- 14 hearing on June 11th.
- 15 At this time I'd like to take
- 16 introductions. Mr. Galati?
- 17 MR. GALATI: Good morning, Commissioner
- 18 Rosenfeld. My name is Scott Galati, representing
- 19 the Silicon Valley Power and the Pico Power
- 20 Project. To my left is the General Manager of the
- 21 project, Leslie Ward.
- 22 And with us today in the audience and
- 23 also may be available for questions and answers is
- 24 Mr. John Roukema, who is the Assistant Director
- 25 for Silicon Valley Power, and Mr. Jim Pope, who is

- 1 the Director of Silicon Valley Power.
- We're also supported by the consultant
- 3 team, consisting of Andrea Grenier with Grenier
- 4 and Associates. We also have Mr. Doug Davy, who
- 5 is the AFC Project Manager for Foster Wheeler, who
- 6 is now Tetra Tech Foster Wheeler. And with him
- 7 also supporting is Suzanne Burnell, in the area of
- 8 water.
- 9 HEARING OFFICER FAY: Thank you. Mr.
- 10 Ratliff, for the staff?
- 11 MR. RATLIFF: Dick Ratliff, counsel for
- 12 staff. And with me is Matt Trask, the Project
- 13 Manager.
- 14 HEARING OFFICER FAY: Thank you. Are
- any other parties represented here today? Okay.
- 16 The only other intervenor in the case, I believe,
- is Cure, and they have not been acted, and
- 18 apparently are not here today. Ms. Mendonca?
- 19 On behalf of the Public Advisor.
- 20 MS. MENDONCA: Good morning. Thank you,
- 21 Mr. Fay. I would like to say that, at this point
- in the record, it would be appropriate to
- 23 summarize the Public Advisor's activities and what
- 24 we did to facilitate the public's participation in
- 25 this case.

1 To begin with, when the Energy

- 2 Commission received the application we began by
- 3 developing what we call our project description.
- 4 And it's a one-page easily-read summary of the
- 5 project, the project location, and how to contact
- 6 key places at the Energy Commission.
- 7 We took the project description and then
- 8 sent the application for certification and 25
- 9 copies of that project description to the Santa
- 10 Clara Library.
- 11 We include in that packet a postcard
- 12 asking the librarian to let us know when the
- 13 library is open and whether they have a computer
- 14 for the public to participate, and we keep that
- information readily available when we receive
- 16 calls from the public in the Pico case.
- We contacted the Santa Clara School
- 18 District, and Nancy Meredith of the district
- 19 assisted us. We prepared and delivered 600 copies
- of a project description to each school in
- 21 December of 2002.
- We also put 24 project descriptions to
- 23 Steve Van Dorn, who's President of the Santa Clara
- 24 Chamber of Commerce. And that project description
- 25 was then distributed to chamber members.

1 We've attended the informational hearing

- 2 site visit, which was held in Santa Clara, and
- 3 also have attended several of the workshops.
- 4 Probably the most significant public
- 5 participation came from Mr. Clark Freitag, who had
- 6 an interest and concern about traffic. My office
- 7 was able to help him participate in a tele-
- 8 conference workshop, and his concerns were
- 9 addressed at that time.
- 10 We are here today, and know of no public
- 11 that will be participating. Thank you very much.
- 12 HEARING OFFICER FAY: Thank you. I'd
- 13 like to just, also, state for the record that we
- do have a tele-conference hookup, and I'm informed
- 15 that nobody has called in at this time, but at any
- 16 time we hear a tone, we'll let those people know
- 17 how they can make public comment.
- 18 What we'd like to do is focus all the
- 19 evidence and comments about any of the discrete
- 20 topics at the time we address that topic. And
- 21 I'll get into that more as we go along.
- This is the first day of evidentiary
- 23 hearings for the Pico case. Public notice was
- 24 issued April 18th, and the notice included the
- 25 relevant dates, including that of our next hearing

on June 11th. Please check your copy of the

- 2 notice for all filing dates, and extra copies have
- 3 been handed out.
- 4 The purpose of these formal evidentiary
- 5 hearings is to establish the factual records
- 6 necessary to reach a decision in this case. This
- 7 is done through the taking of written and oral
- 8 testimony, as well as Exhibits from the parties.
- 9 In this case only staff and applicant
- 10 are presenting evidence, and they will do so
- 11 consisting of sworn testimony or testimony
- 12 submitted with declarations and exhibits on each
- 13 topic area.
- 14 The presentations will follow the agenda
- 15 reflected in Attachment A, with the exception that
- 16 we will not take up biological resources today,
- 17 but put it over to June 11th.
- 18 The parties have previously filed with
- 19 the Commission's docket unit, and served upon each
- 20 other copies of all testimony to be presented
- 21 today. Witnesses will testify under oath or
- 22 affirmation, and be subject to cross-examination
- 23 by other parties who have intervened in this case.
- However, since today's topics are not in
- 25 dispute, and no party has indicated a need for

1 cross-examination, written pre-file testimony may

- 2 be introduced, with a declaration by the witness
- 3 who prepared the testimony and signed under
- 4 penalty of perjury.
- 5 Applicant has delivered to my office a
- 6 file reporting to contain all Exhibits it intends
- 7 to produce today. Mr. Galati, have all copies of
- 8 those Exhibits been filed with the docket unit?
- 9 MR. GALATI: Yes, they have.
- 10 HEARING OFFICER FAY: Okay. And we also
- 11 have copies of the Exhibit list available, and I
- 12 hope everybody will make use of that so that we
- 13 make very clear for the record within each topic
- 14 area what Exhibits are being referred to.
- Or, if it's a long list, at least what
- 16 part in the written file testimony contains the
- 17 list, that sort of thing. So we have a clear
- 18 reference in the transcript to the record.
- 19 Parties sponsoring a witness shall
- 20 briefly establish the witnesses' qualifications,
- or indicate that they are in the written filing,
- 22 and have the witness or other representative
- orally summarize the prepared testimony.
- 24 Since staff will follow applicant
- 25 brief's topic area, staff may choose to wait for

1 summary or merely supplement the summary provided

- 2 by the applicant.
- 3 While addressing a topic, each party
- 4 shall either identify the specific Exhibits
- 5 supporting its testimony or refer to the location
- 6 in the pre-file testimony. This is, again, to
- 7 ensure that we have a clear record in the
- 8 transcript.
- 9 After a witnesses' direct testimony,
- 10 we'll provide the other parties an opportunity for
- 11 cross-examination, although during pre-conference
- 12 the parties indicated that they did not anticipate
- any, but we're not precluding it, I just want to
- 14 make that clear.
- Ms. Mendonca has addressed her outreach
- 16 efforts with members of the public, and we've
- indicated the opportunities to comment and the
- 18 telecon that we've set up.
- 19 The topics to be addressed, as I said,
- 20 are in Attachment A, with the noted exception of
- 21 biological resources. That topic, and air quality
- 22 alternatives, will be addressed on June 11th.
- 23 And after taking evidence on the topics
- today, we'll conduct a brief pre-hearing
- 25 conference to discuss whether the parties are

1 ready to go forward on the three topics for June

- 2 11th.
- 3 So, before we begin, are there any
- 4 questions? Okay, I see no indication. Mr.
- 5 Galati?
- 6 MR. GALATI: Mr. Fay, Commissioner
- 7 Rosenfeld, at this time I'd like to give a brief
- 8 project description. We have previously filed
- 9 written testimony, which I will identify.
- 10 There are two areas in the project
- 11 description that I'd like to provide oral
- 12 testimony on, and they basically deal with the
- 13 project objective and purpose, and also the
- 14 schedule for achieving that objective.
- So, at this time, I'd like to call Mr.
- John Roukema and Mr. Leslie Ward to be sworn.
- 17 Whereupon,
- 18 JOHN ROUKEMA
- 19 was called as a witness and herein, after being
- 20 duly sworn, was examined and testified as follows:
- 21 Also, whereupon,
- 22 LESLIE WARD
- 23 was called as a witness and herein, after being
- 24 duly sworn, was examined and testified as follows:
- 25 HEARING OFFICER FAY: Mr. Galati, will

1 you need both witnesses on the microphone, or?

- 2 MR. GALATI: Actually, I will. And I
- 3 think Mr. Roukema could stand at the podium.
- 4 HEARING OFFICER FAY: Okay. I just want
- 5 the witnesses to be comfortable.
- 6 MR. GALATI: We'll start with Mr. Leslie
- 7 Ward. Mr. Ward, can you briefly state your name
- 8 and your role on the Pico Project?
- 9 MR. WARD: Thank you. I'm Leslie Ward,
- 10 I'm the General Manager for the Pico Power Plant
- 11 Project.
- MR. GALATI: And Mr. Ward, you were
- 13 hired by Silicon Valley Power?
- MR. WARD: Yes. I am hired as a
- 15 consultant to the Silicon Valley Power.
- MR. GALATI: And do you have the overall
- 17 responsibility for constructing the project?
- 18 MR. WARD: My responsibilities include,
- 19 but are not limited to, the development of the
- 20 project, the permitting of the project,
- 21 engineering and design, construction, startoff
- 22 conditioning to care, custody and control.
- MR. GALATI: Mr. Roukema, could you
- 24 please state your name and who you are employed
- 25 by, and what your role is with your employer?

1 MR. ROUKEMA: My name is John Roukema,

- 2 and I'm the Assistant Director of electric utility
- 3 for Silicon Valley Power, the city of Santa
- 4 Clara's municipal utility.
- 5 MR. GALATI: And Mr. Roukema, could you
- 6 briefly describe why Silicon Valley Power is
- 7 pursuing the development and construction of the
- 8 Pico Power Project?
- 9 MR. ROUKEMA: Certainly. As I said
- 10 before, Silicon Valley Power is the city of Santa
- 11 Clara's municipal utility, and has provided Santa
- 12 Clara clean, reliable, competitively priced power
- 13 since 1896.
- Ninety percent of our customers are
- 15 commercial and industrial customers, and reliable
- and stably priced power is extremely important to
- 17 the economy of Santa Clara and the Silicon Valley
- 18 Power.
- 19 We have a major contract that is being
- 20 restructured with the Western Area Power
- 21 Administration, so in 2005, 40 to 50 percent of
- our energy is actually going to go away, and this
- 23 plant is going to be very important in replacing
- that power.
- Now, currently we do generate 40 percent

of our energy needs through plants we own, and the

- 2 addition of this plant will be a very important
- 3 part to ensure that we are self-sufficient and can
- 4 continue to meet the needs of our customers in
- 5 Santa Clara.
- 6 MR. GALATI: Mr. Ward, would you briefly
- 7 summarize what the power plant component of the
- 8 project is?
- 9 MR. WARD: Yes. The power train
- 10 consists of -- there's two power trains, and each
- 11 power train will consist of a General Electric LM-
- 12 6000 aeroderivative combustion turbine, and the
- 13 heat recovery steam generator manufacturer is ATS.
- 14 And the one steam turbine manufacturer is
- 15 Mitsubishi.
- MR. GALATI: And what is the nominal net
- 17 generating capacity?
- MR. WARD: 122 megawatts.
- 19 MR. GALATI: And will the project have
- the ability to duct-fire?
- 21 MR. WARD: Yes. The maximum net of the
- 22 power plant will be 50 megawatts. That gives us
- 23 approximately ten megawatts per strand.
- 24 MR. GALATI: Can you briefly describe
- 25 the acreage of the power plant site?

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1 MR. WARD: The power plant site is
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- 2 small, two and a half acres of functional parcels
- 3 that we are to build the power island primarily
- 4 on. Adjacent, across the Duane Lafayette, are a
- 5 half an acre that we'll build the gas compressor
- 6 site on.
- 7 MR. GALATI: And would you describe the
- 8 power plant site as a brownfield site?
- 9 MR. WARD: Yes, I would. There's an
- 10 existing 115 KV receiving station onsite, and
- 11 there's also a 60 KV distribution substation on
- 12 site, and that has been there since the mid-40's,
- 13 it appears.
- MR. GALATI: Where will the project
- interconnect for transmission?
- MR. WARD: The project will interconnect
- for transmission onsite. We will build a new 115
- 18 KV substation switch yard adjacent to the power
- islands, which will transmit the new electricity
- 20 into the existing onsite Kifer receiving station,
- 21 or over to the existing 115 KV Scott receiving
- 22 station.
- MR. GALATI: And Mr. Ward, what is the
- 24 project's proposed water supply?
- 25 MR. WARD: The project will have two

1 water supplies. The primary water supply will be

- 2 for raw water use -- will be the existing recycled
- 3 water coming through the site property.
- 4 The second water source would be for de-
- 5 mineralized water for process, and that will be
- 6 potable water.
- 7 MR. GALATI: And can you briefly
- 8 describe the fuel source for the project?
- 9 MR. WARD: The fuel source is natural
- 10 gas, and --
- MR. GALATI: And how about the length of
- 12 the linear?
- MR. WARD: The natural gas will be 2.1
- 14 miles from the existing PG&E transmission line to
- 15 the compressor site.
- MR. GALATI: And what is the project's
- 17 proposal for handling waste water?
- 18 MR. WARD: The waste water will be
- 19 transmitted into the existing Santa Clara sanitary
- 20 sewer.
- MR. GALATI: At this time, I have no
- 22 further questions from the panel unless the
- 23 committee is interested in a more detailed project
- 24 description.
- 25 HEARING OFFICER FAY: Um, I just have

1 one question of Mr. Roukema. Do you know, or can

- 2 you share with us, why the Western contract is not
- 3 being continued?
- 4 MR. ROUKEMA: Yes. The Western Area
- 5 Power Administration had entered into a number of
- 6 contracts many years ago with the Pacific Gas and
- 7 Electric Company to support their sales to their
- 8 Western customers. Those contracts expire at the
- 9 end of 2004, and Western has chosen not to renew
- 10 those contracts.
- 11 So then, the supplemental energy is no
- 12 longer available to them, and they revert to just
- the energy that is produced by the central valley
- 14 projects, not Western markets.
- 15 HEARING OFFICER FAY: Okay, is there any
- 16 flexibility to gain power through the existing
- 17 arrangement if you can't meet your deadline for
- when the contract terminates?
- MR. ROUKEMA: Well, essentially, there's
- 20 not a lot of flexibility. We probably could work
- 21 with Western for them to procure energy on the
- 22 market. Otherwise, we would probably just procure
- 23 it ourselves directly from the market if it was
- 24 available, you know, and as it is available on the
- 25 market. That's essentially the prior

- 1 alternatives.
- 2 HEARING OFFICER FAY: All right. Thank
- 3 you. Any cross from the staff?
- 4 MR. GALATI: I apologize. Could I ask
- 5 one more clarifying question?
- 6 HEARING OFFICER FAY: Sure.
- 7 MR. GALATI: Mr. Ward, you described the
- 8 project's water supply. Could you clarify what
- 9 the water will be used for its DM water system.
- 10 MR. WARD: Yes. The DM system will
- 11 consist of recycled water treated and processed
- 12 through a demineralized system for processed
- 13 water.
- 14 MR. GALATI: I do have one more question
- of the panel in general. Do you take any
- 16 exception with the staff's recitation of the
- 17 project description, or is there agreement on
- 18 that?
- 19 MR. WARD: I take no exceptions to it,
- 20 to the existing project staff description.
- MR. GALATI: Okay, thank you. Mr. Fay,
- 22 would you like me to identify the Exhibits
- 23 specifically for this topic area or after staff?
- 24 HEARING OFFICER FAY: Yes, please. You
- 25 can just do it by Exhibit number.

1 MR. GALATI: Okay. Exhibit 1, the AFC,

- 2 and chapter two, specifically, is the project
- 3 description. And Exhibit 11 is applicant's
- 4 comments on staff assessment, part one. And the
- 5 project description, previously written testimony,
- 6 is Exhibit 12.
- 7 HEARING OFFICER FAY: Thank you. Just
- 8 for general reference on all these things. If the
- 9 whole Exhibit is not exclusive to the topic we're
- 10 dealing with, as we discussed before, please give
- 11 me a page reference or section reference,
- 12 something like that, so we have a fairly discreet
- 13 reference. But this is fine what you've done.
- 14 Thank you.
- I want to thank the panel for that
- 16 information. All right, Mr. Ratliff, anything
- 17 from the staff?
- MR. RATLIFF: In terms of cross-
- 19 examination we won't be cross-examining any
- 20 witnesses today. Mr. Trask did the project
- 21 description testimony for the staff, in the staff
- 22 FSA, which is Exhibit 29. And I would just ask
- 23 Mr. Trask if he has anything to add to the depth
- that we've already had.
- 25 HEARING OFFICER FAY: Let's ask the

1 Court Reporter to swear Mr. Trask, please?

- Whereupon,
- 3 MATTHEW TRASK
- 4 was called as a witness and herein, after being
- 5 duly sworn, was examined and testified as follows:
- 6 MR. TRASK: I really have nothing to add
- 7 to the applicant's summary.
- 8 HEARING OFFICER FAY: No disagreement?
- 9 MR. TRASK: None whatsoever.
- 10 HEARING OFFICER FAY: And Mr. Trask,
- just reference today, since you're the resident
- 12 expert -- to the extent you feel comfortable with
- 13 your knowledge and expertise weighed in, if
- there's anything you wish to add or point anything
- out to the committee, since most of the
- 16 descriptions will come from the applicant today.
- 17 All right. Thank you very much. We will
- 18 skip over biological resources and take that up on
- June 11th. Applicant filed a letter and requested
- 20 that, and explaining why. They're looking for a
- 21 little assurance from the U.S. Fish and Wildlife
- 22 Service and that has not come forth yet.
- 23 So we'll move to cultural resources.
- 24 Mr. Galati?
- 25 MR. GALATI: Okay. At this time I'd

1 like to call Mr. Doug Davy.

- Whereupon,
- 3 DOUGLAS DAVY
- 4 was called as a witness and herein, after being
- 5 duly sworn, was examined and testified as follows:
- 6 MR. GALATI: Mr. Davy, can you state
- 7 your full name, your employer, and briefly
- 8 summarize your qualifications?
- 9 MR. DAVY: I am Douglas Davy, I am
- 10 employed by Tetra Tech FW, formerly Foster Wheeler
- 11 Environmental Corporation.
- MR. GALATI: And Mr. Davy, what was your
- involvement in the Pico project licensing?
- MS. DAVY: My role in the project is as
- 15 a consultant to Silicon Valley Power. I supervise
- 16 the preparation of the application for
- 17 certification, and the technical team preparing
- 18 the analyses.
- 19 MR. GALATI: And are you familiar with
- 20 Exhibit 14, the cultural resources testimony of
- 21 Jenna Farrell?
- MR. DAVY: Yes, I am.
- MR. GALATI: We would ask to submit this
- 24 testimony upon declaration, contained in Exhibit
- 25 14, of Jenna Farrell. And to sponsor the

1 following Exhibits: Exhibit 1, Section 8.3. And

- 2 Mr. Fay, specifically, at pages 8.3, 22, and 23 in
- 3 the discussion of impacts.
- 4 And specifically at table 8.3-3, which
- is found on page 8.3, 23, is the discussion of the
- 6 LORS.
- 7 HEARING OFFICER FAY: Thank you. And
- 8 we'll ask the parties to move their Exhibits at
- 9 the end, after we go over all the topic areas. I
- 10 think it would be more convenient.
- 11 MR. GALATI: Would you like me to
- 12 identify them now?
- 13 HEARING OFFICER FAY: I would. Please
- 14 identify them, but at the end we can just move
- 15 them all in at once.
- MR. GALATI: This testimony is also
- being sponsored in Exhibit 2, the applicants
- 18 responses to data accuracy request. Exhibit 3,
- 19 applicants response to first set of data request,
- 20 number 23 through 29. And Exhibit 11 is already
- 21 sponsored. And that concludes the testimony on
- 22 cultural resources unless the committee has
- 23 questions.
- Oh, excuse me. Mr. Davy, it Exhibit 14
- 25 there is a opinion and conclusion that

- 1 specifically says you've reviewed the staff
- 2 assessment and addendum and concur with the
- 3 results. Can you tell the committee whether or
- 4 not you concur with the proposed conditions of
- 5 certification in cultural resource section of the
- 6 staff assessment and addendum?
- 7 MR. DAVY: We concur with staff's
- 8 proposed conditions of certification.
- 9 MR. GALATI: No further questions, Mr.
- 10 Fay.
- 11 HEARING OFFICER FAY: Okay, thank you.
- 12 An questions from the staff? All right. Thank
- 13 you, Mr. Davy. All right, Mr. Galati, hazardous
- 14 materials? Oh, sorry, I'll just ask if there's
- 15 any comment. If anybody is on the line or in the
- 16 audience and wants to comment on cultural
- 17 resources?
- Okay, fair enough, go ahead.
- 19 MR. GALATI: Mr. Davy, are you familiar
- 20 with Exhibit 15, hazardous materials testimony of
- 21 Doug Ury?
- MR. DAVY: Yes, I am.
- 23 MR. GALATI: And are you sponsoring that
- 24 Exhibit today?
- MR. DAVY: I am sponsoring that Exhibit.

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1 MR. GALATI: Mr. Fay, in that Exhibit
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- 2 Mr. Davy is also sponsoring a portion of Exhibit
- 3 1, the AFC Section 8.5, and specifically
- 4 construction impacts are identified and analyzed
- 5 at 8.5, pages 9 through 13.
- And the operational impacts are analyzed
- 7 at page 14 through 15 of Section 8.5, and the LORS
- 8 conformance is summarized on table 8.5-7 on page
- 9 8.5-19 of the AFC. No further questions for the
- 10 area of hazardous materials.
- 11 HEARING OFFICER FAY: Any questions from
- 12 the staff?
- MR. RATLIFF: No.
- 14 HEARING OFFICER FAY: And I note in the
- 15 written testimony that the applicant concurs with
- 16 the staff assessment and the staff addendum, and
- 17 the conditions therein, is that correct?
- MR. GALATI: Yes.
- 19 HEARING OFFICER FAY: All right. Any
- 20 comments on hazardous materials? Hearing none,
- 21 let's move to land use.
- MR. GALATI: Mr. Davy, are you familiar
- 23 with Exhibit 17, the land use testimony of Brent
- 24 Moore?
- MR. DAVY: Yes, I am familiar with it.

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1 MR. GALATI: Would you agree with the
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- 2 conclusion of that testimony, that the applicant
- 3 agrees with the staff assessment addendum and the
- 4 conditions of certification?
- 5 MR. DAVY: Yes, I agree with the
- 6 conclusion.
- 7 MR. GALATI: Mr. Fay, in addition to
- 8 Exhibit 17, Mr. Davy will be sponsoring Exhibit 1,
- 9 AFC, Section 8.6, specifically the impacts are
- 10 discussed at pages 15 and 16 of Section 8.6, and
- 11 the LORS is summarized in a table identified as
- 12 8.6-2 on page 18 of Section 8.6 of the AFC.
- 13 In addition to that Exhibit, the
- 14 testimony sponsors Exhibit 3, responses to first
- set of CEC data requests, responses number 32
- 16 through 41. Exhibit 5, which is a supplement to
- 17 the AFC relating to land use and waste management,
- 18 and Exhibit 11 is already sponsored. I have no
- 19 further questions or evidence on land use.
- 20 HEARING OFFICER FAY: Thank you. Mr.
- 21 Ratliff?
- MR. RATLIFF: No.
- 23 HEARING OFFICER FAY: Any public
- 24 comments regarding land use? Okay, hearing none,
- 25 we'll move on to noise and vibration.

1 MR. GALATI: Mr. Davy, are you familiar

- with Exhibit 18, noise and vibration testimony of
- 3 Tom Adams?
- 4 MR. DAVY: Yes, I'm familiar with the
- 5 Exhibit.
- 6 MR. GALATI: Would you agree with the
- 7 conclusions in that testimony, that the applicant
- 8 agrees with the staff assessment and addendum, and
- 9 the conditions of certification?
- 10 MR. DAVY: I agree with the conclusions.
- 11 MR. GALATI: Mr. Fay, in addition to
- 12 Exhibit 18, the applicant, through Mr. Davy, is
- sponsoring a portion of Exhibit 1, specifically
- 14 Section 8.7 relating to noise and vibration. On
- pages 16 through 24 of Section 8.7 the impacts are
- 16 discussed.
- 17 The applicant's mitigation is identified
- on pages 21 through 23 of Section 8.7, and the
- 19 LORS pertaining to noise and vibration are
- summarized on table 8.7-6, which is on page 24 of
- 21 Section 8.7 of the AFC.
- We have no further questions or
- 23 testimony on noise and vibration.
- 24 HEARING OFFICER FAY: Mr. Ratliff?
- MR. RATLIFF: No comments.

1 HEARING OFFICER FAY: Okay. Mr. Davy, I

- 2 have a brief question. In your comments that were
- 3 filed in response to the staff assessment you
- 4 seemed to accept that, in condition noise 8, that
- 5 high-pressure steam blowers would be excluded on
- 6 Sundays and holidays.
- 7 And given the delays that you've
- 8 experienced in licensing, is that compatible with
- 9 a accelerated construction schedule to meet your
- 10 deadline, and are there other parts of the noise
- 11 requirements that are potentially incompatible
- 12 with an accelerated schedule?
- MR. GALATI: Mr. Fay, if I could try to
- 14 summarize here quickly, I could probably clarify,
- if that's okay with counsel. I think the answer
- 16 to that question is yes, and specifically the
- 17 noise conditions were modified to remove barriers
- 18 associated with construction of the linears, and
- 19 to allow low pressure steam blows to occur on
- 20 other dates as well.
- 21 But our high-pressure steam blows will
- 22 be regulated under a separate condition that sets
- 23 a separate noise limitation on them. So I think
- 24 that we're okay with the conditions as is, and we
- 25 think we can meet our accelerated schedule.

1 HEARING OFFICER FAY: Okay. And that

- 2 goes for all construction noise, not just the
- 3 steam blows?
- 4 MR. GALATI: That's correct. To
- 5 summarize specifically, we proposed some changes
- 6 in the staff assessment workshop, and then in
- 7 writing on our comments that the noise staff
- 8 accepted, and changed in the addendum to meet the
- 9 agreement that we had with staff.
- 10 Specifically dealing with the
- 11 construction noise along linears.
- 12 HEARING OFFICER FAY: Very good. Thank
- 13 you. Any public comments regarding noise? Okay,
- 14 I hear none. Let's move ahead to public health
- 15 then.
- MR. GALATI: Mr. Davy, are you familiar
- 17 with Exhibit 19, which is the testimony of Richard
- 18 B. Booth, on public health?
- MR. DAVY: Yes, I am.
- 20 MR. GALATI: Would you agree and concur
- 21 with the opinions and conclusions of Mr. Booth
- 22 that the applicant agrees with the staff
- 23 assessment, the staff assessment addendum, and
- 24 specifically agrees with the conditions of
- 25 certification?

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1 MR. DAVY: Yes, I do.
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- MR. GALATI: In addition to Exhibit 19,
- 3 the applicant is sponsoring a portion of Exhibit
- 4 1, specifically Section 8.9 related to public
- 5 health. The analysis is identified on table 8.9-
- 6 4, which is on page 8.9-9.
- 7 That's a summary of the analysis
- 8 results, as well on page 8.9-5 on page 10 of
- 9 Section 8.9. Those two tables summarize the
- 10 results of the health risk analysis done for
- 11 public health.
- 12 HEARING OFFICER FAY: Anything, Mr.
- 13 Ratliff?
- MR. RATLIFF: We have nothing to add.
- 15 HEARING OFFICER FAY: And committee has
- 16 no questions. Are there any public comments
- 17 regarding the public health impacts of the
- 18 project? This topic is related to air quality,
- 19 and we will be addressing all the air quality
- aspects on June 11th.
- 21 All right, let's move to socioeconomic
- 22 resources.
- MR. GALATI: Mr. Davy, are you familiar
- 24 with Exhibit 20, which is your testimony
- 25 previously filed on socioeconomics?

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1 MR. DAVY: Yes, I am.
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- 2 MR. GALATI: And in that testimony you
- 3 offered an opinion that you agree with the staff
- 4 assessment and staff assessment addendum. Is that
- 5 your current opinion at this time?
- 6 MR. DAVY: Yes, I do.
- 7 MR. GALATI: Mr. Fay, in addition to
- 8 Exhibit 20. section 8.10 of the AFC is being
- 9 sponsored by Mr. Davy, which is Exhibit 1. And
- 10 Exhibit 2 and Exhibit 11 are already sponsored.
- 11 I'd point out that there are no conditions of
- 12 certification proposed by the staff in
- 13 socioeconomics.
- 14 HEARING OFFICER FAY: Nor is it
- 15 addressed in the addendum.
- MR. GALATI: What's that?
- 17 HEARING OFFICER FAY: Nor is it
- 18 addressed in staff addendum. All right, anything
- 19 from staff on socioeconomics?
- MR. RATLIFF: No.
- 21 HEARING OFFICER FAY: Okay. Any
- 22 comments? Okay. Thanks very much. Let's move to
- 23 soil and water resources.
- MR. GALATI: Mr. Fay, at this time I
- 25 wonder if I can prevail upon the committee to give

- 1 applicant and staff five minutes. We've been
- 2 unable to connect on soil and water resources, or
- 3 we could take soil and water resources out of
- 4 order at the end.
- 5 There appears to be possibility of an
- 6 agreement, and we just have not had an opportunity
- 7 to do that.
- 8 HEARING OFFICER FAY: Let's just take
- 9 the time now. Good idea.
- 10 (Off the record.)
- 11 HEARING OFFICER FAY: Let's go back on
- 12 the record. We took a little break for the
- parties to consult with each other on soil and
- 14 water. Mr. Galati?
- MR. GALATI: Mr. Fay, Commissioner
- 16 Rosenfeld, if I could explain to you where we are
- on soil and water resources, and give you the
- 18 feeling that we will come to resolution on it.
- 19 There are two conditions of
- 20 certification that we had proposed modifications
- 21 to in our comments on the staff assessment.
- The first is Soil and Water 6. Soil and
- 23 Water 6 deals with the conditions where the
- 24 project can use its backup water supply, and the
- 25 applicant had proposed that a very similar

1 condition that was issued in Russell City be used

- 2 to handle that event.
- 3 And specifically at issue, in the
- 4 Russell City decision there is some Act of God
- 5 language. There's some language that would
- 6 automatically relieve the constraints on using the
- 7 backup supply that we believe -- the way Soil and
- 8 Water 6 is worded now -- without that language, it
- 9 might be argued at later times by different people
- 10 who are not involved in the case that you have to
- 11 come back to the Commission for a determination on
- 12 that issue.
- We proposed that to staff, and staff's
- 14 response was that's something that they felt was
- probably up to the committee to decide. We don't
- 16 believe that's something we need testimony on, and
- we don't believe we need to have cross-examination
- on, and that we can handle in our briefs on that
- 19 matter.
- In Soil and Water condition 8, this was
- 21 a condition that was crafted. There is an upper
- 22 aquifer and a lower aquifer that this backup water
- 23 supply -- that's the regime in which this backup
- 24 water supply is going to operate. It will be
- 25 sealed such that it pumps water from the lower

- 1 aquifer.
- 2 In the region there is some
- 3 contamination of the upper aquifer. And staff was
- 4 concerned, and Santa Clara Valley Water District
- 5 was concerned, about the potential of vertical
- 6 migration from the upper aquifer to the lower
- 7 aquifer of contamination.
- 8 At the staff assessment workshop we had
- 9 good dialogue with staff, and we proposed a
- 10 particular rewording of Soil and Water 8. Staff
- 11 reviewed our wording of Soil and Water 8 and came
- 12 back with the same approach, but different words.
- 13 And we have reviewed that, and that is contained
- 14 in that addendum. And there is one word in that
- 15 condition that we're currently having dialogue
- 16 about.
- 17 Specifically, the condition prohibits or
- 18 -- I wouldn't say prohibits -- the condition
- 19 focuses on the transfer of water from the upper
- 20 aquifer to the lower aquifer. We would prefer
- 21 that what we're focusing on is the transfer of
- 22 contamination from the upper aquifer to the lower
- 23 aquifer.
- So we have proposed that, in Soil and
- 25 Water 8, where the second bullet identified water,

- we would like that word substituted for
- 2 contamination. We've had the discussions with
- 3 staff, I think we're not unable to come to
- 4 agreement. I don't think we have the right
- 5 technical people yet talking about that issue.
- 6 What we would propose to do is to leave
- 7 the record open on that issue, and have staff file
- 8 something additional, after they are able to talk
- 9 with their staff.
- 10 So what I propose to do is that we go
- 11 through soil and water, and leave the record open
- on the issue of Soil and Water 8, and have the
- dispute on Soil and Water 6 be handled in briefs.
- 14 HEARING OFFICER FAY: And when would we
- get a response on Soil and Water 8?
- MR. RATLIFF: Well, certainly we would
- 17 want to give it to you as soon as we could. We
- 18 might be able to do it today, but certainly in the
- 19 next couple of days we would get it to you.
- The first issue, of course, is the issue
- of whether or not there should be some kind of
- 22 force majeure provision, and --
- 23 COMMISSIONER ROSENFELD: I can't quite
- 24 hear you.
- 25 MR. RATLIFF: I'm sorry. The first

1 issue is whether there should be some kind of

- 2 force majeure provision allowing them to use their
- 3 well to pump for water in case of what is
- 4 sometimes called an Act of God, an earthquake or
- 5 some other very unusual situation that required
- 6 them to do so.
- 7 And certainly I don't think we object in
- 8 principle to force majeure. I don't know why we
- 9 didn't resolve this already, but since we need to
- 10 talk to the technical staff about it, I would like
- 11 to see if we can get some agreement on that issue
- 12 after talking to the technical staff, and then
- provide something to the committee to tell you
- 14 that that either is or isn't okay.
- 15 And if it isn't okay, then I think Mr.
- 16 Galati's suggestion that we deal with it in briefs
- is probably the best way to deal with it.
- 18 And then, secondarily, the issue of
- 19 whether it is water moving from one aguifer to
- 20 another or contamination is a technical issue that
- 21 we feel like we have to talk with our analysts
- 22 about before we agree to it.
- 23 So we would like to deal with that
- 24 through a submittal that we would give you this
- 25 week, and hopefully tomorrow, saying that it's

1 okay to change that word or it's not, and the

- 2 reason why.
- 3 HEARING OFFICER FAY: Okay, so, what,
- 4 within a week from today we'd get something in
- 5 writing from staff and both --
- 6 MR. TRASK: Certainly within less than a
- 7 week. I just had a couple of things to add. I
- 8 don't believe it will be a problem, but the
- 9 situation in Russell City was slightly different
- in that I believe the backup water supply there
- 11 was potable water, rather than from a groundwater
- 12 well.
- And there is one other very minor issue.
- 14 We got a letter from the city of Santa Clara on
- 15 Monday clarifying some wastewater discharge
- 16 requirements for the administration building that
- is planned as part of the construction of the
- 18 project.
- 19 It requires perhaps some minor updating
- of our section, I actually don't believe it will,
- 21 but we need to check on that. So that's another
- 22 minor issue to leave the record open for. But
- again, we'll resolve that in less than a week.
- 24 HEARING OFFICER FAY: Help me out. It
- 25 seems if the Commission allowed this flexibility

in Russell City and potable water was involved,

- 2 then that is a more sensitive situation than here.
- 3 So, I don't know why we would need a less flexible
- 4 standard in this case. You know, I handled the
- 5 Russell City case so I do recall this.
- 6 But the Commission I think was
- 7 comfortable in trusting the CPM to, sort of,
- 8 determine whether or not the applicant was correct
- 9 in saying it was a force majeure situation.
- 10 MR. TRASK: I think we're probably at
- 11 least 90 percent in agreement, and I can't even
- think of a factor of why we wouldn't agree to
- 13 that, but I do want to check with my analysts.
- 14 HEARING OFFICER FAY: All right.
- 15 Anything further, Mr. Galati?
- MR. GALATI: No, I'd like to go on the
- 17 record then, and bring my witness up and sponsor
- 18 the rest of the testimony on soil and water
- 19 resources, if that's okay?
- 20 HEARING OFFICER FAY: Okay, sure.
- 21 Whereupon,
- 22 SUZANNE BURNELL
- 23 was called as a witness and herein, after being
- 24 duly sworn, was examined and testified as follows:
- MR. GALATI: Ms. Burnell, could you

- 1 please state your full name for the record, who
- 2 you're employed by, and what your role is on the
- 3 Pico Power Project?
- 4 MS. BURNELL: Certainly. My name is
- 5 Suzanne Burnell. I'm employed by Tetra Tech FW,
- 6 formerly Foster Wheeler Environmental, and I'm a
- 7 water resources specialist for the Pico Power
- 8 Project.
- 9 MR. GALATI: Ms. Burnell, are you
- 10 familiar with your previously filed testimony,
- 11 Exhibit 21 entitled "Soil and Water Testimony of
- 12 Suzanne Burnell and Michael J. Fox?"
- MS. BURNELL: I am familiar with it,
- 14 yes.
- MR. GALATI: And in that testimony you
- 16 identified that you agree with the staff
- 17 assessment and staff assessment addendum, but you
- 18 propose changes to Soil and Water 6 and Soil and
- 19 Water 8, as we previously outlined on the record,
- 20 is that correct?
- MS. BURNELL: That is correct, yes.
- MR. GALATI: In addition to Exhibit 21,
- 23 Mr. Fay, this testimony also sponsors portions of
- 24 Exhibit 1, specifically Sections 8.11 on soil
- 25 resources, and Section 8.15 on water resources.

1 I call your attention to the impacts

- 2 discussion for water resources on pages 10 through
- 3 13 of Section 8.15, and also the conclusion on
- 4 page 21 of Section 8.15. I also call your
- 5 attention to table 8.15-6, on page 24 of Section
- 8.15, which is a summary of the LORS compliance.
- 7 In addition to those Exhibits, a portion
- 8 of Exhibit 3, specifically data responses 53
- 9 through 65, Exhibit 4, which is a supplemental
- 10 response to data request 55, and Exhibit 7, which
- is applicant's statement of work for proposed
- 12 aquifer test program for the backup supply well.
- 13 Also Exhibit 8, a portion of those data
- 14 responses specifically number 66 through 70 are
- 15 also sponsored by this witness.
- 16 That concludes our testimony on soil and
- water resources, and we would ask that the
- 18 committee allow the record to stay open for the
- discussion on Soil and Water 6, Soil and Water 8,
- 20 and, as Mr. Trask outlined earlier, the
- 21 confirmation on the wastewater discharge.
- 22 HEARING OFFICER FAY: All right. I think
- 23 what I'll propose, since staff is going to be
- 24 making a unilateral filing, is that we receive
- 25 that, and we'll keep the record open on the

1 question of that condition until the next hearing,

- 2 just in case applicant needs to respond, or
- 3 whatever.
- 4 So, it sounds like it's a fairly narrow
- 5 question, and we should be able to wrap that up.
- 6 So you'll just argue the question about Soil and
- 7 Water 6 in your briefs, is that correct?
- 8 MR. GALATI: That's great. And we will,
- 9 as we identify in the pre-hearing conference later
- 10 to take place on the June 11th hearing, we will
- 11 make sure we have an affirmative statement in our
- 12 testimony that we file with those subject matters
- on what staff filed on water resources.
- 14 HEARING OFFICER FAY: Very good. Thank
- 15 you, Ms. Burnell. Mr. Ratliff, anything from the
- 16 staff on soil and water in addition to what
- 17 we've --
- MR. RATLIFF: Well, we have filed our
- 19 testimony in Exhibit 29, and in the addendum,
- 20 Exhibit 30, and have submitted that. I believe
- 21 that, with the exception of the two items that we
- just discussed, we are in basic agreement on all
- other issues, and we may be in agreement on those
- 24 issues. We just don't know yet. So I agree with
- 25 your recommendation that we leave the record open

1 for the time being until we see whether there is

- 2 agreement on those as well.
- 3 HEARING OFFICER FAY: Since we're
- 4 meeting again on June 11th, I think we have a good
- 5 opportunity to see that this has been fully
- 6 addressed. Great. Then anything further from the
- 7 parties on soil and water?
- 8 MR. GALATI: None for the applicant.
- 9 HEARING OFFICER FAY: And we will ask if
- 10 there is any public comment on that topic? I see
- 11 no indication. Thank you all, so we'll look
- 12 forward to receiving further information on that.
- Oh, Mr. Galati, I just wanted to be
- 14 clear. In your comment on the staff assessment,
- 15 page 12 -- this is a comment on Soil and Water 8 -
- 16 what is the significance of the underlining as
- opposed to the bold language?
- MR. GALATI: What page was --
- 19 HEARING OFFICER FAY: This is page 12 of
- 20 your initial comments on the staff assessment, and
- 21 you're addressing Soil and Water 8 at the time,
- and you have both bold and underline.
- MR. GALATI: I have public health on
- 24 page 12.
- 25 HEARING OFFICER FAY: These are

1 applicant's comments on the staff assessment, soil

- 2 and water resources.
- 3 MR. GALATI: That's page 14 in mine.
- 4 HEARING OFFICER FAY: Really? The copy
- 5 I have shows that it's page 12. It was filed on
- 6 April 16th?
- 7 MR. GALATI: Correct.
- 8 HEARING OFFICER FAY: But it does stress
- 9 Soil and Water 8? Just a formatting question, I
- wasn't sure of the significance?
- 11 MR. GALATI: Now I see what you're
- 12 talking about, and I think that that is a mistake.
- 13 That is, the underlining probably was an internal
- 14 change as it went through several iterations. It
- 15 was supposed to be bold and italics to show that
- 16 it was added. The underline is -- you can
- disregard the underline, it has no significance.
- 18 HEARING OFFICER FAY: Okay. So just
- 19 treat it like the bold. All right. So with the
- 20 exception of the argument on Soil and Water 6, and
- 21 keeping the record open on Soil and Water 8, we
- 22 conclude taking testimony on Soil and Water
- 23 resources, and move to traffic and transportation.
- MR. GALATI: Mr. Davy has previously
- been sworn, he's back on the table again. Mr.

1 Davy, are you familiar with Exhibit 22, which is

- 2 the traffic and transportation testimony of
- 3 yourself?
- 4 MR. DAVY: Yes, I am.
- 5 MR. GALATI: Okay. And in that
- 6 testimony, you say that you have reviewed the
- 7 staff assessment and staff assessment addendum and
- 8 the conditions of certification and concur with
- 9 them, is that correct?
- 10 MR. DAVY: That's correct.
- MR. GALATI: We understand, Mr. Fay,
- that there is a potential modification to one of
- the conditions proposed by staff, so I'd like to
- 14 identify the exhibits that we have right now, and
- 15 then reserve the right to call Mr. Davy again to
- see if he agrees with what staff may be proposing.
- 17 HEARING OFFICER FAY: Okay.
- 18 MR. GALATI: And in addition to Exhibit
- 19 21, a portion of Exhibit 1, Section 8.12, as being
- 20 sponsored by Mr. Davy, and specifically the
- 21 impacts analysis, begins on page 8 of Section 8.12
- and concludes on page 19.
- The operational impacts are identified
- on page 22 of Section 8.12, and mitigation
- 25 measures are outlined on page 24. On table 8.12-

9, which is on pages 25 and 26 of Section 8.12,

- 2 the LORS applicable to traffic and transportation
- 3 are outlined.
- In addition to those Exhibits, Mr. Davy
- 5 is sponsoring a portion of Exhibit 3, specifically
- 6 responses 42 and 43. A portion of Exhibit 9,
- 7 specifically responds to 71 through 73. That
- 8 concludes our Exhibits.
- 9 HEARING OFFICER FAY: All right. Thank
- 10 you. Does staff have any cross-examination or
- 11 anything else?
- MR. TRASK: Yes, Mr. Fay. We received a
- 13 late communication from city of Santa Clara's
- 14 traffic engineer, Mr. Dave Pitton, with some minor
- 15 concerns about one of the alternate routes that we
- had identified in the addendum on page 2-21.
- 17 There's also been some clarification
- 18 from the applicant about the use of railways for
- delivery of some of the major components to the
- 20 project. The gist of it is that the city was a
- 21 little bit uncomfortable with the use of one of
- the routes, so we have proposed some language
- 23 which the applicant has agreed to, essentially of
- truing up some of the routes for the use of this
- 25 alternate route.

1 We are in agreement; however, I haven't

- 2 had a chance to run this by management. Again, I
- 3 don't anticipate any problems, but I would like to
- 4 hold the record open until I can get this
- 5 reviewed.
- 6 HEARING OFFICER FAY: And which
- 7 condition?
- 8 MR. TRASK: That would be condition
- 9 Trans 7.
- 10 HEARING OFFICER FAY: So, this is more
- in the way of clarification and getting the
- 12 language in, rather than any kind of dispute, is
- 13 that correct, Mr. Galati?
- 14 MR. GALATI: That is correct. And, for
- 15 the record, we have a copy of the proposed
- 16 language and assuming that Mr. Trask and staff
- 17 propose such language we're in agreement with that
- 18 particular wording today, and I know we don't want
- 19 to identify it as an Exhibit until it gets
- 20 management approval to do so, but --
- 21 HEARING OFFICER FAY: Sure.
- MR. GALATI: We would be fine in
- 23 replying to a supplemental filing, just like on
- Soil and Water 8.
- 25 HEARING OFFICER FAY: That's what we'd

- 1 like to see. So in your filing for June 11th,
- just indicate the agreement if that's the case, or
- 3 otherwise. So, Mr. Trask, is that on the same
- 4 timetable, do you think, as soil and water?
- 5 MR. TRASK: Yes.
- 6 HEARING OFFICER FAY: Good, good. Now,
- 7 just to get a flavor for this, what is the concern
- 8 of the city?
- 9 MR. TRASK: Their concern was the use of
- 10 one particular intersection, which I believe is
- 11 turning on to Comstock Avenue -- well, excuse me,
- 12 I'll just read, "The third route we had
- identified was going north on Lafayette Street
- 14 from either westbound or east bound lanes,
- followed by a left turn onto Comstock, and then an
- 16 immediate right turn into the southern perimeter
- gate for the Pico site."
- 18 The city was concerned about the
- intersection, essentially during peak times. It's
- 20 quite heavily travelled, so the applicant has
- 21 agreed that they would only use this for the
- transfer of very heavy loads. It allows a much
- 23 easier access into the site, but that they will do
- 24 it during early morning hours, three to six a.m.,
- 25 and that we would use a flagman to make sure we

- 1 can control the traffic.
- 2 HEARING OFFICER FAY: And the city is
- 3 all right with that?
- 4 MR. TRASK: I believe so.
- 5 HEARING OFFICER FAY: Okay. We'll look
- 6 forward to receiving that language. Does staff
- 7 have anything else regarding transportation?
- 8 MR. TRASK: No.
- 9 HEARING OFFICER FAY: Any comments on
- 10 transportation? Okay, thank you. Mr. Galati, how
- about transmission line safety and nuisance?
- MR. GALATI: Mr. Fay, we have prepared
- one testimony covering transmission system
- 14 engineering, and covering transmission line safety
- and nuisance. It's identified as Exhibit 27. And
- 16 Mr. Davy, are you familiar with this testimony of
- 17 Jim Carlson?
- MR. DAVY: Yes, I am.
- 19 MR. GALATI: Is it your understanding
- 20 that Mr. Carlson has reviewed the staff
- 21 assessment, the staff assessment addendum and
- 22 concurs with the analysis and the conditions of
- 23 certification proposed in those documents?
- MR. DAVY: Yes, I do.
- MR. GALATI: This testimony sponsors

1 chapter six of Exhibit 1, and specifically the

- 2 tables in Section 6.4.1 on pages six through nine
- 3 through 6.12 identify the LORS that are applicable
- 4 to both transmission system engineering and
- 5 transmission line safety and nuisance.
- 6 Also, Exhibit 6, which is the
- 7 applicant's system impact study, is being
- 8 sponsored by this witness. And Exhibits 2 and 11
- 9 have previously been sponsored. No further
- 10 comments or questions on either transmission
- 11 system engineering or transmission line safety and
- 12 nuisance.
- 13 HEARING OFFICER FAY: Well, I don't want
- 14 to kind of change our order here, let's just take
- 15 it one at a time. Staff, anything on transmission
- 16 line safety and nuisance?
- MR. TRASK: No.
- 18 HEARING OFFICER FAY: We're just going
- 19 by the order in staff assessment. Any comments on
- 20 transmission line safety and nuisance? Hearing
- 21 none, we'll move on to visual resources and come
- 22 back to transmission system engineering in the
- 23 order indicated.
- 24 There's no problem with the fact that
- 25 you've combined those, I just want to be sure that

we touch base on all these and don't skip

- 2 anything.
- 3 MR. GALATI: Okay. Mr. Davy, are you
- 4 familiar with your testimony of yourself and Scott
- 5 Muller on visual resources, identified as Exhibit
- 6 23?
- 7 MR. DAVY: Yes, I am.
- 8 MR. GALATI: And in that testimony, in
- 9 the opinion and conclusions, you state that you
- 10 agree with the conditions of certification as
- 11 modified in the staff assessment addendum, is that
- 12 correct?
- MR. DAVY: Yes, we agree with the
- 14 conditions.
- MR. GALATI: In addition to Exhibit 23,
- 16 Mr. Fay, this witness is sponsoring Exhibit 1,
- 17 Section 8.13, a portion of Exhibit 3, specifically
- 18 responses 44 through 52. Exhibits 2 and 11, which
- 19 are already previously sponsored. No further
- 20 comments or testimony for Exhibits on visual
- 21 resources.
- 22 HEARING OFFICER FAY: All right. And
- anything from the staff?
- MR. RATLIFF: No.
- 25 HEARING OFFICER FAY: Okay. And I

- 1 assume that we're just going to receive all the
- 2 staff's assessment and addendum at the end. So
- 3 the fact that you've got nothing further to say
- 4 means that you're satisfied with what you've
- 5 already submitted.
- 6 Okay. I see we've listed visual plume
- 7 analysis, was that a separate section in the FSA?
- 8 MR. RATLIFF: No, it's actually combined
- 9 under visual analysis.
- 10 HEARING OFFICER FAY: Okay. I think
- 11 that was just a clerical error then, and not
- 12 significant.
- MR. RATLIFF: We did cover it,
- 14 essentially you could say, in a separate section
- of the visual resources. It's a separate --
- 16 HEARING OFFICER FAY: Was that found to
- 17 not be significant?
- 18 MR. RATLIFF: Correct. It's covered in
- 19 appendix BR-2.
- 20 HEARING OFFICER FAY: Thank you. All
- 21 right, let's move to waste management.
- MR. GALATI: Mr. Davy, are you familiar
- 23 with Exhibit 24, which is the testimony of Doug
- 24 Ury and Don McArthur, entitled waste management?
- MR. DAVY: Yes, I am.

1 MR. GALATI: And would you agree with

- 2 the testimony that Silicon Valley Power agrees
- 3 with the staff assessment, staff assessment
- 4 addendum, and agrees with the condition of
- 5 certification?
- 6 MR. DAVY: Yes, I agree.
- 7 MR. GALATI: In addition to Exhibit 24,
- 8 Mr. Davy is sponsoring a portion of Exhibit 1,
- 9 specifically Section 8.14, with the impact
- analysis identified and discussed at page 10
- 11 through page 13 of 8.14, and the LORS analysis
- identified on table 8.14-3 on page 13, with a
- 13 followup discussion on page 14 and 15, indicating
- 14 LORS compliance of Section 8.14.
- In addition to that Exhibit and Exhibit
- 16 24, Mr. Davy is sponsoring Exhibit 5, which is a
- 17 supplement to the AFC relating to land use and
- 18 waste management.
- 19 HEARING OFFICER FAY: All right. Thank
- 20 you. And is the staff comfortable with the
- 21 applicant's work on waste management?
- MR. RATLIFF: Yes, and I believe they're
- 23 comfortable with the conditions of certification
- 24 that staff has in its testimony as well.
- MR. GALATI: Yes, we are.

1 HEARING OFFICER FAY: And as modified in

- 2 the addendum?
- 3 MR. RATLIFF: Yes.
- 4 MR. GALATI: That's correct.
- 5 HEARING OFFICER FAY: Good. Thank you.
- 6 Worker safety?
- 7 MR. GALATI: Mr. Davy, are you familiar
- 8 with Exhibit 16, which is the testimony of Doug
- 9 Ury in the worker safety and fire protection area?
- MR. DAVY: Yes, I am.
- MR. GALATI: And in that testimony, Mr.
- 12 Ury opines that he has reviewed and agrees with
- 13 the staff assessment and staff assessment
- 14 addendum, is that correct?
- MR. DAVY: That's right.
- MR. GALATI: Would you also agree and
- 17 concur with the proposed conditions of
- 18 certification in worker safety and fire
- 19 protection?
- MR. DAVY: Yes, we agree.
- MR. GALATI: In addition to Exhibit 16,
- 22 Mr. Fay, Mr. Ury and Mr. Davy are sponsoring a
- portion of Exhibit 1, specifically Section 8.16.
- 24 The identification of construction hazards is
- 25 specifically identified on table 8.16-1, on page

1 two of Section 8.16, and the operational hazards

- 2 are identified on table 8.16-2.
- 3 Health and safety mitigation, and the
- 4 mitigation plans proposed by the applicant, are
- 5 summarized on page five through 11 of Section
- 6 8.16. No additional Exhibits or testimony of
- 7 worker safety and fire protection.
- 8 HEARING OFFICER FAY: Okay. Thank you.
- 9 Anything from the staff on worker safety?
- MR. RATLIFF: No.
- 11 HEARING OFFICER FAY: Very good. Any
- 12 comments on worker safety? Very good. Facility
- 13 design?
- MR. GALATI: Mr. Davy, are you familiar
- with George Claypoole on facility design power
- 16 plant efficiency and reliability?
- MR. DAVY: Yes, I am.
- 18 MR. GALATI: We'll just talk about
- 19 facility design at this point.
- 20 HEARING OFFICER FAY: What number is
- 21 that, Mr. Galati?
- MR. GALATI: That is Exhibit 25.
- 23 HEARING OFFICER FAY: Thank you.
- MR. GALATI: And, Mr. Fay, I would point
- 25 out that this also combines the testimony of

1 George Claypoole on power plant reliability and

- 2 power plant efficiency. So you have those
- 3 identified separately, so we can deal with them at
- 4 that point.
- 5 And Mr. Davy, in that testimony of
- 6 George Claypoole, it states his opinion that he
- 7 reviews the staff assessment and staff assessment
- 8 addendum. Is it also your understanding that he
- 9 agrees with any conditions of certification?
- MR. DAVY: Yes, it is.
- MR. GALATI: Unfortunately, Mr. Fay, I
- 12 can't give you specific citations to this rather
- 13 lengthy Exhibit being sponsored, but Exhibit 1,
- chapters 1, 2, 5, 6, and 7, all summarize the
- 15 complex facility design at the power plant.
- 16 HEARING OFFICER FAY: Okay. That's
- 17 fine.
- 18 MR. GALATI: That is being sponsored in
- 19 addition to Exhibit 25.
- 20 HEARING OFFICER FAY: Did staff have any
- 21 concerns that were not satisfactorily addressed in
- the written filings?
- MR. RATLIFF: No.
- 24 HEARING OFFICER FAY: Any comments
- 25 regarding facility design? So I take it, in spite

1 of the constrained area of this site, it was felt

- 2 that this could all be implemented in a reasonable
- 3 way, as applicant had proposed?
- 4 MR. TRASK: It's tight, but doable.
- 5 HEARING OFFICER FAY: Okay. Let's look
- 6 a geology and paleontology. As we move to that, I
- 7 just want to again ask if anybody is on the
- 8 telephone connection, and if so please identify
- 9 yourself. I hear nothing. Mr. Galati, go ahead.
- 10 MR. GALATI: Mr. Davy, are you familiar
- 11 with Exhibit 26, your testimony previously filed
- on geology and paleontology?
- MR. DAVY: Yes, I am.
- 14 MR. GALATI: And in that testimony you
- 15 state that you reviewed the staff assessment and
- 16 staff assessment addendum, and you concur with the
- 17 conditions of certification proposed in those
- documents. Do you still agree with that?
- MR. DAVY: Yes, I do.
- MR. GALATI: In addition to Exhibit 26,
- 21 Mr. Davy is sponsoring a portion of Exhibit 1,
- 22 Sections 8.4 and 8.8, and a portion of Exhibit 3,
- 23 specifically data responses 30 through 31. No
- 24 further testimony or Exhibits on the area of
- 25 geology and paleontology.

1 HEARING OFFICER FAY: Okay. We'll ask

- 2 the staff if they have anything in the area of
- 3 geology and/or paleontology?
- 4 MR. RATLIFF: Not in that area, Mr. Fay,
- 5 but there is something that I think we neglected
- 6 to mention earlier that I think might --
- 7 COMMISSIONER ROSENFELD: Will you use
- 8 the mike? I can barely hear you.
- 9 MR. RATLIFF: We did neglect earlier to
- 10 mention something regarding project description
- 11 that we think we might need to clarify, just to
- make sure that the committee is aware of it, and
- 13 particularly for the writing of the decision. And
- 14 I'll let Mr. Trask describe that.
- MR. TRASK: We had meant to put a
- 16 statement in the addendum that we didn't get in
- 17 there. Early on in the project -- well, an order
- 18 developed on the project. There is an existing
- 19 PG&E transmission line that runs over the site
- 20 right now that needs to be undergrounded.
- Originally, in discussions with PG&E,
- the applicant was considering a possible off-site
- 23 route for the undergrounding of that transmission
- 24 line. Since then that offsite route has been
- 25 rejected, it's not going to be needed.

1 Some of our analysis addresses that, if

- 2 this line is moved off-site, certain things would
- 3 be required. I'd just like to state for the
- 4 record that that line will not be off-site, and
- 5 therefore all references to any conditions that
- 6 would be applicable if it was moved off-site are
- 7 no longer in staff's analysis.
- 8 HEARING OFFICER FAY: Thank you for that
- 9 clarification. And let me address both parties.
- 10 Does the geology of that area affect this
- 11 contamination issue, the communication between the
- 12 aquifers?
- MR. GALATI: Actually, I can -- we can
- 14 certainly provide some further clarification on
- 15 that. But, actually it does, in a positive way.
- 16 There is a very substantial aquitard between the
- 17 upper aquifer and the lower aquifer that we
- 18 believe substantially restricts migration of the
- waters from the upper aguifer to the lower
- 20 aquifer.
- 21 And in that area, that particular lower
- 22 aquifer is being used for many of the potable
- 23 water systems, and being used successfully without
- 24 contamination. so, that would be one of the
- 25 issues that would support changing the word in

- 1 Soil and Water 8 from water to contamination.
- 2 HEARING OFFICER FAY: And presumably
- 3 your comments will be reflected in the testimony
- 4 somewhere, since I assume you're not testifying?
- 5 MR. GALATI: I'm not -- actually I was.
- 6 Yes, in the testimony on soil and water resources
- 7 it is explained probably at least generally how I
- 8 just explained it.
- 9 HEARING OFFICER FAY: Okay. Does staff
- 10 concur with that?
- MR. TRASK: Yes. I'll just add that the
- 12 geology more or less defines the aquifers. There
- is a very solid, clear clay layer between the two
- 14 aguifers that essentially stops any migration.
- 15 HEARING OFFICER FAY: Okay. Any further
- 16 comments on geology and paleontology? I hear
- 17 none. Okay, power plant efficiency. I know
- 18 you've already summarized the testimony that
- included that, just for the sake of reference
- 20 briefly touch on which Exhibit that was?
- MR. GALATI: Mr. Davy, you previously
- 22 stated you were familiar with the testimony of
- 23 George Claypoole, identified in Exhibit 25. In
- 24 that testimony Mr. Claypoole identifies that the
- 25 project will be an efficient source of power for

1 the participating cities. Do you agree with that?

- 2 MR. DAVY: I agree with that.
- 3 MR. GALATI: No further testimony.
- 4 HEARING OFFICER FAY: Anything from the
- 5 staff regarding efficiency?
- 6 MR. RATLIFF: No.
- 7 HEARING OFFICER FAY: Thank you. And
- 8 how about reliability?
- 9 MR. GALATI: Just to identify, Mr. Davy.
- 10 Again, we're dealing with Exhibit 25, the
- 11 testimony of George Claypoole, and in that
- 12 testimony Mr. Claypoole states that he believes
- the project will be a reliable source of power for
- 14 the participating cities. Would you agree with
- 15 that?
- MR. DAVY: I agree with that.
- 17 MR. GALATI: No further testimony on
- 18 power plant reliability.
- 19 HEARING OFFICER FAY: All right. Staff,
- 20 anything further?
- MR. RATLIFF: No.
- 22 HEARING OFFICER FAY: Any comments on
- either power plant efficiency or reliability?
- Okay, hearing none, we have to back to
- 25 transmission system engineering. If you can just

- 1 briefly reference that, Mr. Galati?
- 2 MR. GALATI: Mr. Davy, you had
- 3 previously identified that you were familiar with
- 4 Exhibit 27, the testimony of Jim Carlson, which in
- 5 part deals with transmission system engineering,
- 6 is that correct?
- 7 MR. DAVY: That's correct.
- 8 MR. GALATI: In that testimony Mr.
- 9 Carlson believes that the project will be able to
- 10 safely interconnect with the transmission grid
- 11 without adverse impacts. Do you agree with that
- 12 conclusion?
- MR. DAVY: I agree with that.
- MR. GALATI: We have no further
- 15 testimony on transmission system engineering.
- 16 HEARING OFFICER FAY: Anything from the
- 17 staff on that?
- 18 MR. RATLIFF: Mr. Fay, only to point out
- that in the staff testimony you'll see a page 5.5-
- 20 1 that the city of Santa Clara is not part of the
- 21 ISO grid. And for that reason the ISO has not
- 22 provided testimony in this case, because the ISO
- is not charged with the reliability for Santa
- 24 Clara's system. And that's just a distinction I
- 25 wanted to point out.

1 HEARING OFFICER FAY: Thank you for that

- 2 clarification. And, Mr. Trask, I don't know if
- 3 you can address this, but the staff just notes, on
- 4 page 5.5-6, that no downstream facilities will be
- 5 required. Does that essentially mean that this
- 6 project just fits very neatly within the needs of
- 7 the systems?
- 8 MR. TRASK: Yes, transmission lines is
- 9 an excellent project. It's plugging essentially
- 10 right into the city of Santa Clara's Silicon
- 11 Valley distribution system. And almost all will
- 12 be serving native loads, so yes, no out-of-area
- impacts were created, and no further mitigation
- 14 was needed.
- 15 HEARING OFFICER FAY: Great. Thank you
- 16 for that. Okay, and finally, compliance
- 17 monitoring and facility closure. Not testimony in
- 18 the traditional sense, we just want to make sure
- 19 that there's a meeting of the minds on this.
- MR. GALATI: I am going to have Ms.
- 21 Grenier testify, so I'd like her sworn at this
- 22 time.
- 23 Whereupon,
- 24 ANDREA GRENIER
- 25 was called as a witness and herein, after being

duly sworn, was examined and testified as follows:

- 2 MR. GALATI: Ms. Grenier, could you
- 3 please state your full name for the record, who
- 4 your employer is on this project, and what your
- 5 role is?
- 6 MS. GRENIER: Thank you. My name is
- 7 Andrea Grenier, I'm the owner and principle of
- 8 Grenier and Associates, and I'm serving as a
- 9 consultant to Silicon Valley Power, currently as
- 10 their environmental permitting manager for this
- 11 project, and also as their compliance manager for
- 12 the project.
- MR. GALATI: Ms. Grenier, are you
- 14 familiar with your previously filed testimony
- identified as Exhibit 28, compliance monitoring
- and facility closure testimony of Andrea Grenier?
- MS. GRENIER: Yes, I am.
- 18 MR. GALATI: And in that testimony you
- 19 give an opinion that you have reviewed the staff
- 20 assessment and staff assessment addendum, and
- 21 agree with the condition of certification. Is
- 22 that still correct today?
- MS. GRENIER: Yes, it is.
- MR. GALATI: In addition to Exhibit 28,
- 25 Mr. Fay, Ms. Grenier is sponsoring a portion of

- 1 Exhibit 1, specifically chapter four, on
- 2 compliance and closure. We have no further
- 3 testimony on this topic area.
- 4 HEARING OFFICER FAY: Thank you. Ms.
- 5 Grenier, are you familiar with the way that the
- 6 soil and water question regarding force majeure
- 7 has been handled in the Russell City decision?
- 8 MS. GRENIER: Yes.
- 9 HEARING OFFICER FAY: And has that even
- 10 come to a compliance stage as yet, where that
- 11 could be sort of tested in terms of the
- 12 relationship with the CPM?
- MS. GRENIER: Not yet.
- 14 HEARING OFFICER FAY: Not yet, okay.
- But you're not aware of any problems with that
- 16 approach, are you?
- MS. GRENIER: No, sir.
- 18 HEARING OFFICER FAY: All right. Thank
- 19 you. Mr. Ratliff, anything from the staff?
- 20 MR. TRASK: We have no comments on the
- 21 general conditions. I did want to add a slight
- 22 clarification to Mr. Ratcliff's clarification
- 23 about the ISO, if this would be the appropriate
- 24 time to do that?
- 25 HEARING OFFICER FAY: Sure.

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1 MR. TRASK: I just wanted to clarify
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- 2 that the applicant does intend to participate, or
- 3 at least to be able to participate, in the ISO's
- 4 reliability markets, the automatic generation
- 5 control, spinning reserve, and possibly to become
- 6 a reliability must-run project, so in that sense
- 7 the ISO would have some dispatch ability for those
- 8 units when they participate in those markets.
- 9 HEARING OFFICER FAY: I see. Moving to
- 10 compliance, Mr. Trask, is there perhaps different
- 11 personnel involved in this compliance question on
- 12 the force majeure issue, soil and water, than in
- 13 the Russell City case, or has the staff changed
- 14 its position at all, or is just a case of being
- sure that its gone through all the review, etc.?
- MR. TRASK: I think actually it's more
- in the area of soil and water that the analysts
- 18 there had some concerns about. It was not the
- 19 compliance manager, Mr. Shaw, he didn't express
- 20 any opinion either way. And it was more or less
- 21 the reaction was that almost any condition could
- 22 be acted given this same kind of relief.
- 23 However, since then the applicant has
- 24 clarified that there are some special
- 25 circumstances that apply here that back granting

- 1 that relief.
- 2 HEARING OFFICER FAY: Okay. And I
- 3 think, if I recall, I think one way that we
- 4 addressed this in Russell City is that the
- 5 applicant came back with some kind of narrowing
- 6 language so that there was guidance to CPM as to,
- 7 instead of just the term active guide, I think
- 8 that it was narrowed somewhat so that it wasn't --
- 9 it relieved staff's concern that it was a wide
- 10 open condition.
- 11 MR. TRASK: Depending on your theology,
- 12 all things are Acts of God.
- 13 HEARING OFFICER FAY: Right. So we try
- 14 to get away from faith-based licensing, and give
- 15 more specific criteria to the CPM. And so any
- 16 effort in that direction would probably alleviate
- 17 staff's concern, and yet still be able to meet the
- 18 applicant's need for flexibility.
- 19 MR. GALATI: Mr. Fay, was that after the
- 20 decision came out that there was some additional
- 21 clarifying language? Because we were proposing
- 22 the exact same language in the condition at
- 23 Russell City, where we believe that's been
- 24 clarified?
- 25 HEARING OFFICER FAY: No, I think that

1 adjustment was made before the decision came out,

- 2 so that what you see in the final decision
- 3 reflected the adjustments that were made. Okay
- 4 then, what I'd like to do then -- essentially,
- 5 that concludes our taking evidence on the topics
- 6 that were noticed for today, with the exception of
- 7 biological resources, which I said was put over.
- 8 And just talk about any, in any sort of
- 9 pre-hearing conference kind of mode, are things
- 10 coming together on biology, air quality, and are
- 11 we going to meet the schedule that we indicated at
- 12 the notice? Mr. Galati?
- MR. GALATI: Yes, let me again take
- 14 biology. And again to summarize the testimony
- 15 that has previously been filed, and comments as
- 16 well as what was in our pre-hearing conference
- 17 statement.
- 18 We've been working closely with U.S.
- 19 Fish and Wildlife Service, and unfortunately
- there's been a personnel gap with someone being on
- 21 jury duty for almost two weeks. We have touched
- 22 base with that person, who again assures us that
- 23 we will be getting the confirmation in writing
- 24 that confirms the many oral representations that
- 25 the project will qualify for a low-effect habitat

- 1 conservation plan review.
- 2 Again, we will file our testimony,
- 3 because it is already prepared. Assuming we get
- 4 that confirmation stating that we will not have
- 5 any issues with staff's approach, and we agree
- 6 with the conditions of certification as modified
- 7 in the addendum. And we'll file it the day we get
- 8 that confirmation, which we're still hoping we can
- 9 get it this week.
- 10 We think that biology should be done by
- 11 declaration in the same fashion that we've done
- 12 may of the other sessions today, and we think that
- on June 11th we can handle that right away. We
- 14 certainly will keep the committee informed if that
- 15 plan changes in any way, shape or form, but we
- don't anticipate it changing.
- 17 With respect to air quality --
- 18 HEARING OFFICER FAY: Before you look to
- 19 air quality, what's the backup if they still have
- 20 trouble writing this down?
- 21 MR. GALATI: There is potential backup
- 22 to bringing before the committee, and have the
- 23 committee decide, which is the appropriate model
- 24 to determine acreage. And we -- that is a
- 25 potential that that could occur. We're doing

1 everything we can to make sure that that does not

- 2 occur.
- 3 HEARING OFFICER FAY: Okay. Is it
- 4 possible that, if for some reason U.S. Fish and
- 5 Wildlife will write this down, that they'd send
- 6 the analyst here to address the committee? With
- 7 the idea of understanding the view, even if it's a
- 8 tentative view, the view of the federal agency in
- 9 supporting that in the record?
- 10 MR. GALATI: You bet. That would be an
- intermediary backup plan, I think. We would
- 12 still, again, prefer to have that in writing, even
- in an e-mail form, so that we can proceed. But,
- 14 again, our goal is not to allow biological
- 15 resources to delay us in any way, shape or form.
- 16 HEARING OFFICER FAY: Okay. And air
- 17 quality?
- MR. GALATI: We've got some good news on
- 19 air quality. And that is that we believe the PDOC
- 20 will be issued this week. And, as the PDOC is
- 21 issued, we believe that the chances for comment
- that would result in some length of time between
- 23 the PDOC comment period closing and the FDOC being
- 24 used has probably been greatly reduced with the
- 25 involvement of the agencies on the very -- I

1 would, it focused down to one condition, on a

- 2 particular back analysis.
- 3 So we feel very confident that we will
- 4 be prepared on June 11th, and we understand that
- 5 staff may opine as well whether they'll be
- 6 prepared on June 11th, to go forward and conclude
- 7 air quality. And we're hoping we have an FDOC
- 8 prior to June 11th.
- 9 If we didn't, we would ask you to hold
- 10 the record open to accept the FDOC into the record
- 11 after the evidentiary hearing. But we have a good
- 12 chance of making that FDOC prior to June 11th.
- 13 HEARING OFFICER FAY: On page three of
- 14 the notice for today's hearing we've got a little
- schedule, and it shows the staff filing part two
- of its staff assessment, including air quality and
- 17 alternatives -- and, by the way, I'll just
- 18 mention, if there's any supplement that the staff
- 19 feels the need to file on biology, they can
- 20 certainly do so at that time, that would be
- 21 appropriate.
- 22 Mr. Galati, when can you file your
- 23 testimony on those topics?
- MR. GALATI: By May 28th.
- 25 MR. RATLIFF: I haven't checked the

1 calendar to determine whether that's a holiday --

- 2 HEARING OFFICER FAY: It's not. May
- 3 28th is a Thursday, and it's almost two weeks
- 4 before -- May 28th is a Wednesday, I'm sorry -- so
- 5 that is two weeks before our evidentiary hearing.
- 6 is that enough time for you?
- 7 MR. GALATI: Yes.
- 8 HEARING OFFICER FAY: Good. Okay, thank
- 9 you. Mr. Ratliff?
- 10 MR. RATLIFF: Yes, I agree with
- 11 everything Mr. Galati said regarding air quality,
- and I hope that we will have an FDOC by the time
- 13 the June 11th hearing comes. If we don't,
- 14 presumably we'd have one very shortly thereafter,
- and we can tie that whole thing up together and be
- 16 done with it.
- 17 Regarding the other issue, for
- 18 biological resources, I think I understand -- I
- 19 haven't had a chance to talk with Mr. Galati about
- 20 how we want to handle that issue if we can't get
- 21 U.S. Fish and Wildlife Service to confirm that
- they're going to do a low-impact conservation
- 23 plan.
- I think that the way we have modified
- 25 the staff's conditions in the biological portion

of our analysis -- what I'd propose we do as plan

- 2 B if we can't get that is to go ahead and have the
- 3 applicant and staff agree to the mitigation --
- 4 which we've been discussing for months -- in terms
- 5 of the habitat provisions for the checkerspot
- 6 butterfly, and the staff conditions, as they have
- 7 been modified at the request of the applicant, do
- 8 not require the provision of a habitat
- 9 conservation plan document for the permit to be
- 10 valid.
- 11 So, we can go forward in other words, I
- 12 think, without U.S. Fish and Wildlife Service if
- 13 they don't in fact provide a timely confirmation
- of what they've told us orally. It would seem to
- me that might be the way to go ahead and get
- 16 through this issue if we never get that kind of
- 17 confirmation that we've been led to understand is
- 18 coming.
- 19 So I wanted to explore that issue with
- 20 the applicant right now, to see if this might be
- another way to proceed and try to finish the case.
- Because we seem to be waiting, we've been waiting
- 23 a long time actually for the U.S. Fish and
- 24 Wildlife Service to give us that confirmation.
- 25 HEARING OFFICER FAY: Yes, is there any

1 reason that -- well, what I'm just throwing out

- 2 here is -- could the staff file any modification
- 3 that might be necessary to its staff assessment as
- 4 modified by the addendum, but just in its filing
- 5 that it makes on May 21st something that would
- 6 indicate that, if U.S. Fish and Wildlife doesn't
- 7 give the written approval in a timely way, then
- 8 staff recommends the following.
- 9 So that we have a plan B in writing, and
- 10 we can actually take action on that at the
- 11 evidentiary hearing, and either way, potential
- impacts would be mitigated, and the staff would
- 13 know that they are comfortable with the approach
- either way, so we're not dependent on U.S. Fish
- 15 and Wildlife. Is that --
- MR. RATLIFF: I'd like to ask Mr. Galati
- 17 -- I mean, I'm putting him on the spot here -- but
- 18 I believe the way staff has fashioned it's
- 19 conditions now, without any further changes, we
- 20 could go to a plan B, and proceed to issue the
- 21 Energy Commission permit, with any further action
- 22 by U.S. Fish and Wildlife Service coming
- 23 afterwards and independent of our own permit, so
- that it doesn't continue to slow down our process.
- 25 And I think that's the way we've worked

1 out the conditions now, and I'd like to check with

- 2 him to see if he believes that's also the case.
- 3 MR. GALATI: We make the commitment to
- 4 the committee that this is not going to slow down
- 5 our process at all, and while I'm not at liberty
- 6 to discuss right now what our plan is, I will tell
- you that we don't anticipate having long, lengthy
- 8 hearings in biological resources.
- 9 And though we would like U.S. Fish and
- 10 Wildlife Service to respond to us, we believe that
- 11 that response is not necessary for the Commission
- 12 to move forward, and we agree with what Mr.
- 13 Ratliff is saying.
- 14 We would, however, like to continue to
- 15 have U.S. Fish and Wildlife Service pay attention
- 16 to us, and give us the appropriate response in
- 17 writing, and we believe that our current strategy
- in going forward is allowing that to happen.
- So, I'm very optimistic that, on June
- 20 11th, we will be able to come in and biological
- 21 resources -- either through some sort of plan B,
- 22 which is a minor modification maybe of what
- 23 staff's is, maybe no modification -- or we'll have
- 24 complete agreement and go forward.
- 25 So, I'm not anticipating -- and I know

1 that's probably not giving the committee a great

- 2 amount of detail -- but I think the June 11th
- 3 hearing will be very short on biological
- 4 resources.
- 5 HEARING OFFICER FAY: Okay. And I
- 6 assume you'll address that in your filing on May
- 7 28th at least to the extent that there's something
- 8 to say at that point.
- 9 MR. GALATI: Correct. We'll make that
- 10 decision on May 28th, and it will be final.
- 11 HEARING OFFICER FAY: And if these
- 12 parties -- I know it goes without saying -- that
- obviously when the federal agencies decide
- 14 something, even if they do it after our license,
- that's what controls. And our license would be
- 16 modified according to any changes that they
- 17 require.
- 18 We just want to be sure that we've got
- 19 everything in place, so that it causes as few
- 20 changes as possible. Obviously that's in your
- 21 interest as well. But it sounds like you're
- 22 anticipating this, and we don't want to get in the
- 23 way of your urging U.S. Fish and Wildlife to act
- 24 with dispatch. And if you achieve that, please
- 25 let us know how you did it.

1 All right, anything further then?

- 2 Mr. Trask?
- 3 MR. TRASK: Yes, Mr. Fay. I have one
- 4 clarification on the air quality section.
- 5 Although Mr. Ken Lim of the AQMD did communicate
- 6 that there goal is to get their PDOC out by this
- 7 Friday, he implied that perhaps could slip a few
- 8 days. I got out of that that perhaps as late as
- 9 next Wednesday.
- 10 I still think that, even if it does come
- 11 out as late as Wednesday, that staff could
- 12 possibly make the May 21st date, but I think to
- 13 reserve that to make it day by day, to delay from
- 14 that date to any corresponding from the delay from
- 15 receiving the PDOC.
- 16 HEARING OFFICER FAY: All right, can we
- 17 leave it this way. That you will definitely let
- 18 us know by the 21st on what you intend to do in
- 19 terms of filing, if you have to slip it. And I
- 20 would say that there would be a comparable slip in
- 21 the applicant's filing date.
- 22 And since the filing date for applicant
- of May 28th is two weeks before the hearing, I
- think we've got a little bit of room to work with
- 25 that. It sounds like staff is not anticipating

1 any surprises in applicant's filing, so that we do

- 2 have a little flexibility here. Mr. Galati, is
- 3 that something you can live with?
- 4 MR. GALATI: We can live with that.
- 5 HEARING OFFICER FAY: Okay. Good.
- 6 Thank you, Mr. Trask for that advisory. Okay,
- 7 anything further then? We have three topics that
- 8 remain completely open -- biological resources,
- 9 air quality, and alternatives -- and we are
- 10 holding the record open for further submittal on
- 11 the question of condition Soil and Water 8 and
- 12 staff will be providing a little more information
- on transmission. Anything further?
- 14 MR. TRASK: Just to clarify, soil and
- water 8 and Soil and Water 6, perhaps a little bit
- on the wastewater discharge and then, I believe,
- 17 it was traffic and --
- 18 HEARING OFFICER FAY: Traffic, I'm
- 19 sorry, I said transmission. Traffic and
- 20 transportation, yes -- key word. Mr. Galati,
- 21 anything further?
- MR. GALATI: No, thank you for your
- 23 time.
- 24 HEARING OFFICER FAY: I thank everybody
- 25 for being very efficient. Commissioner, anything?

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1 COMMISSIONER ROSENFELD: No.
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- 2 MR. GALATI: Oh, we would like to move
- 3 our Exhibits, if this is the right time?
- 4 HEARING OFFICER FAY: Yes. Please,
- 5 let's do it now.
- 6 MR. TRASK: Should we just go through
- 7 the topics and give the page numbers from staff
- 8 assessment and the addendum. In the area of
- 9 project description, the staff exhibit --
- 10 MR. RATLIFF: Would you like us to
- 11 provide that in a written form, so we don't have
- 12 to read it, or do you want it in the record right
- 13 now?
- 14 HEARING OFFICER FAY: I think you can
- just move the Exhibits entirely, and then provide
- 16 that in written form. That would be helpful. Why
- don't we go first with the applicant.
- MR. GALATI: At this time we'd like to
- move Exhibits 1 through 28 into evidence at this
- 20 time.
- 21 HEARING OFFICER FAY: Any objection?
- MR. RATLIFF: No objection.
- HEARING OFFICER FAY: Okay. So moved.
- 24 And staff?
- 25 MR. RATLIFF: Staff would move Exhibits

- 1 29, the FSA and -- I should say the staff
- 2 assessment -- and Exhibit 30, which is the
- 3 addendum to the staff assessment, into evidence at
- 4 this time.
- 5 HEARING OFFICER FAY: Okay, any
- 6 objection? So moved. And you can, you know, in
- 7 your filing on the 21st or when you get it in, you
- 8 can get any details that you were about to give on
- 9 the record. I think we can just do that in
- 10 writing, that's fine. All right, anything further
- 11 then?
- MR. GALATI: No, thank you.
- 13 HEARING OFFICER FAY: Thank you all,
- 14 we're adjourned.
- 15 (Whereupon, at 10:49 the hearing was adjourned.)

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CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Hearing; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing, nor in any way interested in outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of May, 2003.

PETER PETTY